

1 WEIL, GOTSHAL & MANGES LLP
2 Stephen Karotkin (*pro hac vice*)
(stephen.karotkin@weil.com)
3 Ray C. Schrock, P.C. (*pro hac vice*)
(ray.schrock@weil.com)
4 Jessica Liou (*pro hac vice*)
(jessica.liou@weil.com)
5 Matthew Goren (*pro hac vice*)
(matthew.goren@weil.com)
6 767 Fifth Avenue
New York, NY 10153-0119
Tel: 212 310 8000
Fax: 212 310 8007

7 KELLER & BENVENUTTI LLP
8 Tobias S. Keller (#151445)
(tkeller@kellerbenvenutti.com)
9 Jane Kim (#298192)
(jkim@kellerbenvenutti.com)
10 650 California Street, Suite 1900
San Francisco, CA 94108
Tel: 415 496 6723
Fax: 650 636 9251

12 *Proposed Attorneys for Debtors
and Debtors in Possession*

13
14 **UNITED STATES BANKRUPTCY COURT**
15 **NORTHERN DISTRICT OF CALIFORNIA**
16 **SAN FRANCISCO DIVISION**

17 **In re:**

18 **PG&E CORPORATION,**

19 **- and -**

20 **PACIFIC GAS AND ELECTRIC
COMPANY,**

21 **Debtors.**

22 Affects PG&E Corporation

23 Affects Pacific Gas and Electric Company

24 Affects both Debtors

25 * All papers shall be filed in the Lead Case,
26 No. 19-30088 (DM).

27 Bankruptcy Case
No. 19-30088 (DM)

28 Chapter 11
(Lead Case)
(Jointly Administered)

**NOTICE OF RESOLUTION OF LIMITED
OBJECTION OF OFFICIAL COMMITTEE OF
UNSECURED CREDITORS TO CORRECTED
MOTION OF DEBTORS PURSUANT TO 11
U.S.C. §§ 105(a), 363, AND 503(c) FOR ENTRY
OF AN ORDER (I) APPROVING SHORT-TERM
INCENTIVE PLAN AND (II) GRANTING
RELATED RELIEF**

Related Doc: Nos. 806 & 1227

Date: April 9, 2019

Time: 9:30 a.m. (Pacific Time)

Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

NOTICE

The Debtors¹ submit this notice to advise the Court and all parties of the resolution of the Limited Objection (the “**Limited Objection**”) filed by the Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”) to the *Corrected Motion of Debtors Pursuant to 11 U.S.C. §§ 105(a), 363, and 503(c) for Entry of an Order (I) Approving Short-Term Incentive Plan and (II) Granting Related Relief* (the “**2019 STIP Motion**”) (ECF No. 806).

The Debtors and the Creditors' Committee have been engaged in productive discussions regarding potential modifications to the 2019 STIP to resolve the concerns raised by the Creditors' Committee in the Limited Objection. The Debtors are pleased to report that the discussions have resulted in the following modifications to the 2019 STIP, which, subject to documentation, fully resolve the Limited Objection:

1. The weighting for the Public Safety Index has been increased from 10% to 25%, thereby increasing the weighting for the safety metrics in the 2019 STIP from 50% to 65% (with a corresponding 15% reduction in the Financial Performance weighting, from 40% to 25%);
 2. If, as a result of its review of the Company’s 2019 Wildfire Mitigation Plan, the CPUC changes any of the safety targets that is a metric in the 2019 STIP, such metric will be changed to match that change;
 3. The threshold and maximum targets for the financial metric in the 2019 STIP for Earnings from Operations have been changed from 95% to 105% of target to 90% to 110% of target;
 4. The Individual Performance Modifier (“IPM”) component of the 2019 STIP will be applied on an annual rather than quarterly basis—and, as in previous years, the IPM will be based on year-end performance, with the potential IPM ranging from 0 – 150% and for both upward and downward adjustments for all STIP participants; and

¹ All capitalized terms used herein have the meanings assigned to them in the Debtors' 2019 STIP Motion, ECF No. 806, unless otherwise noted.

5. The Debtors will provide quarterly reporting to the Creditors' Committee on performance results and calculations underlying any proposed 2019 STIP payments after certification by PG&E Internal Audit and prior to any payment to eligible participants. Any proposed 2019 STIP payments will be made no sooner than seven (7) calendar days after delivery of such quarterly reporting to the Creditors' Committee.

Dated: April 8, 2019

WEIL, GOTSHAL & MANGES LLP

KELLER & BENVENUTTI LLP

By: /s/ Jane Kim
Jane Kim

Proposed Attorneys for Debtors and Debtors in Possession